

Message Text

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ACTION AF-10

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-05 H-01
INR-10 L-03 NSAE-00 PA-01 SP-02 SS-15 TRSE-00
OMB-01 SSC-01 HA-05 ACDA-12 EB-08 COME-00 AID-05
AGRE-00 STR-07 NSCE-00 SSO-00 ICAE-00 INRE-00
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O R 111525Z JUL 78
FM AMEMBASSY ACCRA
TO SECSTATE WASHDC IMMEDIATE 4493
INFO AMEMBASSY ABIDJAN
AMEMBASSY LAGOS
AMEMBASSY LOME
AMEMBASSY LONDON
AMEMBASSY OUAGADOUGOU

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LONDON FOR SEITZ

EO 11652: NA
TAGS: PGOV, ECON, GH
SUBJ: HEAD OF STATE AKUFFO ANNOUNCES NEW POLICIES

1. SUMMARY: IN HIS FIRST POLICY ADDRESS TO THE NATION
JULY 10, NEW HEAD OF STATE LT GENERAL AKUFFO
ADMITTED THAT GENERAL ACHEAMPONG HAD IN FACT BEEN
FORCED FROM POWER, ANNOUNCED A GENERAL AMNESTY FOR ALL
GHANAIANS LIVING IN SELF-IMPOSED EXILE, PROMISED
RETURN TO A POPULARLY ELECTED GOVERNMENT ON JULY 1,
1979 AND PROPOSED A SERIES OF ECONOMIC REFORMS TO
MEET GHANA'S FAILING ECONOMY. HIS SPEECH MARKS A
GOOD BEGINNING, BUT THE ROAD AHEAD IS STREWN WITH
EXTRAORDINARY DIFFICULTIES. END SUMMARY.

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2. LIEUTENANT GENERAL F.W.K. AKUFFO MADE FIRST
ADDRESS AS HEAD OF STATE TO THE NATION ON JULY 10
(COPY POUCHED AF/W). SPEECH COVERED FIVE MAJOR
POLICY ISSUES, AS FOLLOWS.

3. ACHEAMPONG RESIGNATION: GENERAL ACHEAMPONG'S
RESIGNATION HAD BEEN DEMANDED BECAUSE HE HAD "SPURNED

THE ADVICE OF MEMBERS OF THE SMC," CHANNELS OF COMMUNICATION HAD BROKEN DOWN AND THE GOVERNMENT HAD BECOME A "ONE-MAN SHOW". THE SMC, ACCORDING TO AKUFFO, HAD "NO ALTERNATIVE BUT TO DEMAND HIS EXIT FROM THE SCENE."

4. ECONOMIC PLAN: THE MAJOR PORTION OF THE SPEECH WAS DEVOTED TO GHANA'S ECONOMIC WOES. GENERAL AKUFFO SAID THAT THE "GREATEST CHANGE FACING THE NATION IS POSED BY THE HIGHT RATE OF INFLATION WITH ITS ATTENDANT SHORTAGES." TO COPE WITH THIS PROBLEM THE SMC HAD DECIDED ON A SERIES OF STEPS:

AAG INCREASE THE LEVEL OF DOMESTIC PRODUCTION PARTICULARLY IN FOOD;

B. CURTAIL RISING GOVERNMENT EXPENDITURES BY RE-EXAMINING PRIORITIES AND ELIMINATING MARGINAL PROGRAMS;

C. ELIMINATE TAX EVASION BY MAJOR COMPANIES;

D. CANCEL ALL TAX CONCESSIONS TO COMPANIES AND COLLECT SUCH TAXES AS EXCISE, DUTIES, SALES TAXES AND SPECIAL TAXES RETROACTIVE TO JULY 1, 1977;

E. CONTINUE THE FLEXIBLE EXCHANGE RATE:

F. RESTRICT USE OF FOREIGN EXCHANGE FOR IMPORTATION OF CONSUMER GOODS;

G. REDUCE USE OF FOREIGN EXCHANGE TO EMPLOY LIMITED OFFICIAL USE

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FOREIGN LABOR "UNDER THE GUISE OF EXPERTS" BY REQUIRING PROOF OF UNAVAILABILITY OF SUITABLE GHANAIS FOR POSTS INVOLVED;

H. ENCOURAGE GREATER FOREIGN INVESTMENT BECAUSE OF GHANA'S STRATEGIC LOCATION, ABUDANCE OF POWER, AND CREATION OF FREE PORT ZONE AT TEMA. AKUFFO CONCLUDED THE SECTION FOR ECONIMICS DECLAIMING "THESE ARE HARD TIMES WHICH DEMAND FRUGALITY ON THE PART OF ALL GHANAIS."

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LONDON FOR SEITZ

5. RETURN TO CONSTITUTIONAL RULE: THE SUPREME MILITARY COUNCIL WILL HAND OVER POWER TO A POPULARLY ELECTED GOVERNMENT ON JULY 1, 1979. GENERAL AKUFFO DID NOT USE THE TERM "UNION GOVERNMENT" AND SAID THAT THE SMC IS "ACTIVELY TAKING A FRESH LOOK AT THE POLITICAL, ECONOMIC AND SOCIAL SCENES OF THE COUNTRY WITH A VIEW TO ENSURING UNITY AND STABILITY DURING THE PERIOD FOLLOWING ESTABLISHMENT OF A REPRESENTATIVE GOVERNMENT." SPEAKING FOR THE COUNCIL, HE ASSURED THE NATION THAT IT WILL "SHORTLY INFORM IT OF THE RESULT OF ITS THINKING ON THE MATTER." HE CALLED FOR "GENUINE NATIONAL RECONCILIATION" TO UNITE THE NATION AND CITED THE EARLIER RELEASE OF THE DETAINEES AS A "FIRST STEP." HE ANNOUNCED FURTHER A GENERAL AMNESTY FOR ALL GHANAIS LIVING IN SELF-IMPOSED EXILE AND LIMITED OFFICIAL USE

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CALLED FOR PROFESSIONALS AND STUDENTS WHO HAVE COMPLETED THEIR STUDIES ABROAD TO RETURN HOME TO "ASSIST IN THE BUILDING OF THE NATION"

6. DISCIPLINE: GENERAL AKUFFO CONCLUDED HIS REMARKS WITH A CALL FOR "THE STRICTEST DISCIPLINE IN OUR LIFE AS A NATION" AND INDICATED THAT GHANAIAN ATTITUDES TOWARDS WORK, CIVIC DUTIES AND PUBLIC PROPERTY "LEAVE MUCH TO BE DESIRED." HE ALSO SAID THAT "ALL PUBLIC OFFICERS MUST TAKE NOTE THAT THEY WILL BE HELD INDIVIDUALLY ACCOUNTABLE FOR ANY LAPSES IN THE PERFORMANCE OF THEIR DUTIES."

7. COMMENT: SPEECH WAS A GOOD BEGINNING. ITS
STRESS ON URGENT NEED FOR A WIDE RANGE OF ECONOMIC
REFORMS WAS A REFRESHING CHANGE FROM ACHEAMPONG'S
CONSTANT EVASION OF THIS CRUCIAL ISSUE. HIS
ANNOUNCEMENT OF GENERAL AMNESTY WILL BE WELL RECEIVED
AND MAY HELP GIVE SUBSTANCE TO HIS CALL FOR
NATIONAL CONCILIATION. WHILE HE REAFFIRMED PREVIOUS
REGIME'S SCHEDULE FOR RETURN TO CONSTITUTIONAL
GOVERNMENT, MANY OPPOSITION ELEMENTS WILL REGRET HIS
FAILURE TO SPEED UP THE PROCESS. OVERALL, SPEECH
INDICATED A SOBER AND BALANCED APPRECIATION OF
GHANA'S PRESENT MASSIVE DIFFICULTIES AND A
DETERMINATION TO MAKE A START IN SOLVING THE.
TEST OF THE NEW REGIME WILL COME IN IMPLEMENTING
THESE PRONOUNCEMENTS WITH PAINFUL BUT
INESCAPABLE ACTIONS.
HOLMES

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